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OFFICE OF CURRENT INTELLIGENCE
6 July 1953

THE REORGANIZATION OF THE HUNGARIAN GOVERNMENT
AND PARTY

The sweeping reorganization of the Hungarian government and top party leadership, accompanied by the announced intent of the new regime to slowdown the tempo of socialization and relax its harsh coercive policies, is unparalleled in postwar Soviet-dominated Eastern Europe and may be indicative of a sharp change in Soviet tactics throughout the Orbit. While the shakeup can be partially explained by Hungary's critical economic situation and growing popular discontent, the nature and extent of the changes appear to reflect the Kremlin's decision to adapt its more moderate policies to its Eastern European Satellites and to install a leadership which it considers more capable of instituting these policies.

The reduction of Hungarian ministries from 26 to 19 is a complete reversal of previous Satellite trends and is comparable to the reorganization of the Soviet government following Stalin's death. The changes in policy which the new premier, Imre Nagy, has announced amount to a major reversal of previous tactics and in some respects appear to be even more drastic than those recently adopted in the Soviet Union. The premier has pledged a slowdown in collectivization and industrialization, a partial return to private trade, the abolition of internment camps and an amnesty to "wrongdoers." He also has emphasized that living standards must be raised and more food provided.

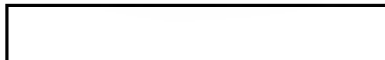
Personnel changes in the party and government have practically eliminated from top leadership the communist clique which has ruled Hungary since 1945, and the number of Jews has been markedly reduced. Of the old leadership only Erno Gero, who has long been a rival of former Premier Rakosi, has retained a top position in both the new Politburo and the government. While Rakosi retains his Number One position in both the Politburo and the new secretariat, his replacement as premier, combined with the elimination of all his top party friends and associates has seriously weakened his position. Among those who have been ousted from all responsible positions are Party theoretician Jozsef Revai and Minister of National Defense Mihaly Farkas. The latter has been replaced by a professional

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soldier, General Istvan Bata.

The new premier, Imre Nagy, has been a member of the Political Committee since 1948 and has held several ministerial posts since the war, particularly in agriculture, but he has never been a member of the top ruling clique. A representative of the Social Democratic Party in the Bela Kun government of 1919, he joined the Communist Party during the 1920's and spent many years in the USSR before returning to Hungary in 1944 with the Soviet Army.

Although all non-Communists have been eliminated from the Political Committee, the semblance of a coalition government has been maintained by the retention of several non-Party members, including the important ministerial posts of Justice, People's Culture, and Foreign and Domestic Trade. Like the promises of concessions, the failure of the regime to eliminate these non-party members is indicative of the government's intent to slowdown the transition to socialism.

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NEW POLITICAL COMMITTEE, HUNGARIAN
WORKERS PARTY

(elected at meeting of Central Com-
mittee 27-28 June 1953)

Matyas RAKOSI
Imre NAGY
Erno GERO
Andras HEGEDUS
Istvan HIDAS
Istvan KRISTOF
Rudolf FOLDVARI
Lajos ACS
Mihaly ZSOFINYECH

Alternates

Bela SZALAI
Istvan BATA

Orgburo

-abolished

Secretariat

Matyas RAKOSI

OLD POLITICAL COMMITTEE, HWP

(in order of precedence as
announced at Party Congress
March 1951)

Matyas RAKOSI *
Erno GERO *
Mihaly FARKAS
Jozsef REVAI
Istvan KOVACS
Marton HORVATH
Antal APRO
Sandor RONAI
Jozsef HARUSTYAK
Istvan SZABO
Andras HEGEDUS *
Zoltan VAS
Imre NAGY *
Mihaly ZSOFINYECH *
Karoly KISS

Alternates

Laszlo PIROS
Istvan DENES
Istvan KRISTOF *(believed
promoted to full membership,
1952)
Istvan HIDAS * (believed
promoted to full membership,
1952)

Orgburo

RAKOSI
KOVACS
HORVATH
HEGEDUS
HIDAS
RONAI
APRO
KISS
DENES
Sandor NOGRADI

Secretariat

RAKOSI



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Secretariat (contd)

Lajos ACS
Bela VEG

GERO
FARKAS
REVAI
HEGEDUS
NAGY
KRISTOF
KOVACS

* Member of the new Political Committee

NEW HUNGARIAN COUNCIL OF MINISTERS

The ministries listed below the new ministries are tentatively identified as having been combined in the ministerial streamlining process.

Prime Minister

Imre NAGY

Former Prime Minister

Matyas RAKOSI

Deputy Prime Ministers

Erno GERO,* First deputy and
Minister of Interior

Andras HEGEDUS,* Minister of
Agriculture

Former Deputy Prime Ministers
(all without portfolios)

Erno GERO
Imre NAGY
Arpad HAZI
Istvan HIDAS
Karoly KISS

Ministry of Interior Erno GERO *

Ministry of Agriculture Andras HEGEDUS *

Ministry of Agriculture
Ministry of State Farms and Forests

Ministry of Foreign Affairs Janos BOLDOCZKI

Ministry of National Defense Istvan BATA *

Ministry of Finance Karoly OLT

Ministry of Justice Ferenc ERDEI (Natl. Peasants Party)

Ministry of Metallurgy & Machine Industry Mihaly ZSOFINYECS

Ministry of Metallurgy & Medium Machine Industry

Ministry of Heavy Industry Istvan HIDAS

Ministry of General Engineering
Ministry of Mining and Power
Ministry of Chemical Industry

* Member of new Political Committee

Ministry of Light Industry Arpad KISS

Ministry of Light Industry
Ministry of Local Industry

Ministry of Foreign & Internal Trade Jozsef BOGNAR
(Smallholders Party)

Ministry of Foreign Trade
Ministry of Internal Trade

Ministry of Food Industry Ivan ALTOMARE

Ministry of Construction Lajos SZIJARTO

Ministry of Postal Affairs &
Communications Lajos BEBRITS

Ministry of Postal Affairs
Ministry of Communications

Ministry of Peoples Culture Jozsef DARVAS (Natl. Peasants Party)

Ministry of Education Tibor ERDEY GRUZ

Ministry of Public Health Sandor ZSOLDOS

Ministry of Crop Collection Jozsef Tisza

National Planning Office Bela SZALAI